

DEPARTMENT OF THE HEALTH AND HUMAN SERVICES
Public Health Service
Indian Health Service

Rockville, Maryland 20857

Refer to: OAM/DSM

INDIAN HEALTH SERVICE CIRCULAR NO. 94-3

REGIONAL EVALUATION STANDARDIZATION
AND USAGE REVIEW COMMITTEES

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1. Policy. It is the policy of the Indian Health Service (IHS) that Regional Evaluation, Standardization, and Usage Review Committees (RESURC's) be established and used as a tool to improve patient care and outcomes through product evaluation, standardization, inventory control, and cost containment.
2. Background. The evaluation and standardization of products within a region permits customer involvement in this process without undue duplication of efforts. The results are better quality products, due to evaluation by a group of clinical professionals; consistent patient care, due to identical products being used at the patient's home clinic and referral hospital; and cost reduction due to group buying at discount prices, and decreased labor costs.

The IHS Circular No. 91-10, entitled "Development, Implementation, and Operation of the Indian Health Service Supply Management System," section 8.E., paragraph 2, states the following:

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"Regional Evaluation, Standardization and Usage Review Committees utilizing health care professionals are to be established for each Regional Supply Service Center (RSSC). These committees will evaluate and select items that will be stocked by the RSSCs. They will also review product usage and make changes in items to contain costs and improve patient care."

3. Goals and Products. The goals of product evaluation, standardization and usage review are to improve inventory control, to improve the management of supplies, and to maximize cost effectiveness. The products of achieving these goals include:
- A. Reduction in the dollar value of inventory on hand.
 - B. Reduced cost through the use of quantity discounts.
 - c. Reduced cost through time discounts (prompt payment discounts).
 - D. Savings through reduced paperwork.
 - E. Savings in personnel time due to:
 - (1) Reduction of redundant purchasing at Area facilities.
 - (2) Reduction in number of invoices to be matched and paid.
 - (3) Reduction in number of receiving reports to be completed.
 - F. Reduced prices through increased negotiating power on open-market supply items.
 - G. Savings through reduction in direct issue expenditure.
 - H. Savings through cost analysis of present practices and potential changes in methodology to optimize use of resources.
 - J. Savings through increased inventory turnover rate.
 - K. Savings through reduction of outdated supplies.
 - L. Savings through reduction in the expense of training and educating personnel in the use of many and varied products and techniques.

- M. Savings by ensuring that the quantity purchased correlates with needs.

4. Objectives.

- A. To determine standard products and sizes that can be utilized by all or most facilities within the Region and stocked by the RSSC.
- B. To develop product specifications that will be used as standards of product acceptability.
- C. To reduce the number of essentially identical products that are stocked and purchased by the RSSC and the Areas served.
- D. To monitor the usage of supplies within the Region and make recommendations to appropriate Area personnel and to the RSSC staff.
- E. To assist department heads in understanding mutual problems in reference to supplies.
- F. To keep the RSSC staff and customers informed of changes in products.
- G. To provide the mechanism that ensures an improved level of patient care through product evaluation with emphasis on the quality of care and the containment of costs.

5. Committees and Membership. There shall be eight officially recognized RESURCs within each RSSC. Membership will include representation by all Areas in each region and shall consist of hospital, health center, Area consultants and tribal facility members where appropriate. Each Area Director will appoint members to represent his/her Area. Each Area will support these committees by sending their appointed representatives to all meetings. All terms will be for 2 years. Initially, appointments of some members may be for less than a full term, so that expiration of term does not occur at the same time for all members. The Customer Service & Quality Assurance Branch, Division of Supply Management, shall have an ex-officio member on all RESURC committees. This member shall function as an advisor to the RSSC Director and the RSSC Quality Assurance Specialist on matters that have potential for common application throughout the various regions. This is to include, but not be limited to, the evaluation of current research data, literature, and documentation of pertinent information for evaluating or standardizing products. To maximize standardization efforts, avoid unnecessary duplication of evaluations, and allow

consolidation of requirements, committees for a particular group of supplies will meet during the same quarter in each region.

The committees, their membership, and meeting schedule shall be as follows:

A. RESURC Committee - Drugs and Pharmaceutical Supplies.

- (1) Area Pharmacy Consultants (standing members)
- (2) Chief, Pharmacy Services from two hospitals
- (3) Chief, Pharmacy Services from one health center
- (4) Clinical Pharmacist

* Meets during the first quarter of each fiscal year.

B. RESURC Committee - Dental Supplies.

- (1) Area Dental Consultants (standing members)
- (2) Chief, Dental Services from two hospitals
- (3) Chief, Dental Services from one health center

* Meets during the third quarter of each fiscal year.

c. RESURC Committee - Medical Supplies.

- (1) Area Chief Medical Officers or their designees
- (2) Area Nursing Consultants (standing members)
- (3) Nurse from two hospitals
- (4) Nurse from one health center

* Meets during the second quarter of each fiscal year.

D. RESURC Committee - Laboratory Supplies.

- (1) Area Laboratory Consultants (standing members)
- (2) Laboratory Supervisor from two hospitals
- (3) Laboratory Supervisor from one health center

* Meets during the second quarter of each fiscal year.

E. RESURC Committee - Radiology Supplies.

- (1) Area Radiology and Medical Technology Consultants (standing members)
- (2) Radiology Supervisor from two hospitals
- (3) Radiology Supervisor from one health center

* Meets during the second quarter of each fiscal year.

F. RESURC Committee - Housekeeping Supplies.

- (1) Institutional Environmental Health Sanitarian (standing member)
- (2) Housekeeping Supervisor from two hospitals
- (3) Housekeeping Supervisor from one health center

* Meets during the fourth quarter of each fiscal year.

G. RESURC Committee - Subsistence & Dietary Supplies.

- (1) Area Dietary consultants (standing members)
- (2) Dietitian from two hospitals
- (3) Food Service Supervisor from one hospital

* Meets during the third quarter of each fiscal year.

H. RESURC Committee - Administrative Supplies & Forms.

- (1) Representative from Area offices (standing members)
- (2) Representatives from two hospitals
- (3) Representative from one health center

* Meets during the fourth quarter of each fiscal year.

RSSC Directors may establish sub-committees as necessary to deal with sub-specialty items, and may call for special committee meetings. Other individuals may be requested to attend committee meetings, on an as-needed basis.

6. Procedures.

- A. Meeting Arrangements. The RSSC Standardization and Quality Assurance Coordinator shall be responsible for organizing and coordinating all committee meetings. Meetings will be announced at least 2 months in advance.

An agenda will be prepared and submitted to committee members at least 15 days prior to the meeting. Committee members may be requested to assist with the meeting arrangements and agenda preparation.

- B. Reports. A written report of the results of each meeting will be prepared and provided to each Area Director. Copies are to be distributed to all committee members, RSSC Staff, Customer Service & Quality, Assurance Branch/Division of Supply Management; and other appropriate personnel. An annual report is to be written summarizing the accomplishments, problems, and recommendations for future changes and improvements.
- c. Voting Rights: Each committee member shall have one vote. The RSSC Standardization and Quality, Assurance Coordinator shall vote only in case of a tie vote. The majority vote shall rule. Each committee meeting may be attended by other personnel; however, they shall be considered non-voting attendants. A representative with procurement authority shall be requested to attend each meeting. This may be either the RSSC contracting officer or a representative from the Area Division of Acquisition Management.
- D. Committee Activities. Committee meetings will include some or all of the following activities:
- (1) Review of all supply items in stores stock at the RSSC that fall within the committee's expertise. This review should include:
 - Continued need for the supply item
 - ;1 Product specifications and need for any changes
 - c. Usage by location and if necessary by department
 - d. Product cost and total Area cost for product
 - e. Unit-of-Issue and need for change
 - f. Other topics determined necessary by the committee
 - (2) Review and approve/disapprove New Stock Item Requests submitted to the RSSC since the last meeting. The committee may recommend that a further evaluation or cost study be conducted.
 - (3) Determine essential specifications and quantities needed for new stores stock supply items. In an effort to contain costs, the committee should avoid including standards that are not really necessary.
 - (4) Address problems with supply items as presented by

the RSSC Standardization and Quality Assurance Coordinator, committee members, Area Director, Customer Service Board, or any customer.

- (5) Conduct value analysis comparisons and studies to find items of similar function and quality that are acceptable, and available at a lower cost.
- (6) Make recommendations to other RESURC Committees, RSSC personnel, and Area personnel on medical supply and equipment purchasing in order to standardize usage throughout IHS.

E. Product Evaluation. Each committee will determine what potential new stores stock supply items will be evaluated and the extent of evaluation needed for each item. Each committee shall have the right to reject items without evaluations and will establish appropriate priorities, considering resources, to maximize the evaluation process. Committee members may volunteer to conduct product evaluations, or will be requested to do so by the RSSC Standardization and Quality Assurance Coordinator. Items matching existing stores stock specifications that are available from other vendors may be evaluated for acceptability and quality. The RSSC Standardization and Quality Assurance Coordinator, or the Customer Service & Quality Assurance Branch/Division of Supply Management will determine if these evaluations are appropriate or should be conducted. Potential vendors should submit product literature for review before submitting a product for evaluation. Product samples may be requested for product evaluation. Vendor's sales representatives will not be allowed to attend meetings unless the committee members agree to them attending for a specific purpose prior to the meeting. If allowed to attend, they will be present only while they are needed for discussions of their product. They will not be present during voting.

F. Ethics and Standards of Conduct. In addition to activities prohibited by law, regulation, or IHS Standards of Conduct, committee members and other IHS employees will not take part in activities that promote a product for a vendor, manufacturer, distributor, or other commercial interest. These activities include:

- (1) Submitting a request for formulary addition/deletion at the request of a vendor representative, manufacturer, distributor, or other commercial interest.
- (2) Presenting promotional literature as support for

addition of a product to a formulary. Only objective data from the medical/pharmaceutical or other professional literature; experience or studies performed at IHS stations; logistic, supply, and cost data; and opinions of IHS employees or consultants will be considered in evaluating a product for formulary addition or deletion.

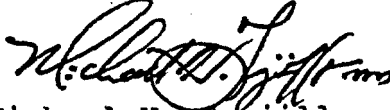
- (3) Signing petitions presented, initiated, or circulated by representatives of a vendor, manufacturer, distributor, or other commercial interest.
 - (4) Identifying the individual responsible for evaluating a product for the committee.
 - (5) Revealing the voting records, minutes, or discussions concerning additions or deletions to a formulary. Representatives of vendors, manufacturers, distributors, and other commercial interest provide a service in informing professionals of the availability, characteristics, specifications, and-cost of their products; however, this information is not always objective and is not without bias. While these representatives, within certain guidelines, may promote their products to IHS employees; they will not participate in the formulary process or other activities of RESURC's or related Area or service unit committees. Prohibited activities include:
 - a. Presenting, initiating, distributing, or encouraging submission of formulary requests for addition or deletion of items to formularies.
 - b. Passing petitions for formulary additions/deletions or other business items of RESURC's or other formulary committees.
 - c. Polling RESURC or other formulary committees to determine support for votes or outcome of votes on formulary additions/deletions or other committee matters.
- g. Meeting Attendance by Telecommunications. To overcome geographical obstacles, telecommunication may be used for RESURC issues, when physical attendance at a meeting is not possible.

H. Funding. Travel for RESURC activities will be funded by service units/Areas for their members and/or funded by the RSSC, based on special needs or circumstances.

7. Responsibilities of RSSC Standardization and Quality Assurance Coordinator:

- (1) Arrange meetings.
- (2) Prepare meeting agendas.
- (3) Conduct meetings.
- (4) Write committee meeting summaries.
- (5) Work with RSSC staff to institute changes.
- (6) Notify users of supply changes.
- (7) Follows up to ensure changes are made, and prepares and maintains the RSSC Catalog.
- (8) Coordinate product evaluations.
- (9) Research supply issues and makes recommendations to the committee(s).
- (10) Advise committees on supply cost issues.
- (11) Recommend committee membership to Area Directors.

8. Effective Date. This circular is effective upon date of signature.


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